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LETTER

ON THE

PRESENT MEASURES

OF

FINANCE;

IN WHICH THE

BILL NOW DEPENDING IN PARLIAMENT

IS

PARTICULARLY CONSIDERED.

BY THE

EARL OF LAUDERDALE.

L O N D O N :

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MDCCXCVIII.

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L E T T E R,

&c.

London, Dec. 27, 1797.

I AM not in the smallest degree astonished at the anxiety you express concerning the general situation and state of the country. It is such as no one can contemplate with satisfaction, few without the deepest regret. I confess, for my own part, I consider it with a mixture of dread for the ultimate effects of the present measures, and horror at the immediate consequences their adoption must produce. In the one, I see the strongest symptoms of deep-rooted disaffection and revolution; in the other, the immediate consignment to misery and ruin of thousands on thousands of our most industrious artisans and manufacturers. I agree most perfectly with you in your idea, that the measures of the cabinet at home are likely to prove, in the end, more fatal to the prosperity, liberty, and constitution of these kingdoms, than any

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efforts of the enemy from abroad ; and I cannot help seeing, with you, the unaccountable contrast between the objects the ministers profess, and the means they bring forward to carry those objects into effect.

The ministerial cry of the present session has undoubtedly been, the necessity of proving to the enemy the increased respectability of our defensive position ; the unanimity of our councils and feelings at home ; and the still flourishing extent of our financial resources : points undoubtedly at all times material, but in our present situation indispensably necessary to the salvation of the country. But with much truth you justly observe, that Mr. Pitt's mode of producing a strong sensation on the part of the French, that we do possess that strength, these feelings, and those resources, is indeed singular. With a view to the first, he has already proposed a diminution, both in our navy and army establishments ; to effect the second, he has brought forward a measure, probably the most odious that ever was submitted to any Parliament ; and to insure the third, he has avowed it to be his opinion, that the system, which for the last century has proved the real source of our national grandeur and importance, can no longer be resorted to with any safety.

When the tremendous military resources of our enemy were diverted into a variety of different channels, as the momentary pressure of their affairs demanded, then was our military establishment to be kept constantly increasing : now, when these resources are all united into one

mass,

mass, when all the military efforts of that mighty nation are directed against England alone; at that moment does the English minister judge it to be wise to pretend to diminish the establishments of our navy and army. As a test of our boasted and wished-for unanimity, Mr. Pitt has brought forward the late measure of raising money by an increase of assessed taxes; which has indeed produced one species of unanimity, universal among the people, and pretty general among their representatives: but it is the baneful and ruinous unanimity of the people against their representatives, and of their representatives against the people.

To prove the extent of our resources, the Chancellor of the Exchequer has judged it prudent and fitting, not only to avow, but to explain to the enemy his belief, that the supply of the year can no longer be raised by voluntary loan; that the national credit is so far gone, is so completely sunk, that the funding system can be no longer resorted to, without ruin either to the public or the individual; and that we are now to begin in this country that very system of forced contributions, the existence of which in France, formed, at the beginning of the war, the principal support to all our fallacious expectations of a speedy and fortunate issue to the contest.

Can even the most trivial observer for a moment suppose, that this striking difference between the ostensible object and the real conduct of Government is occasioned by weakness and imbecility alone? Is it possible to believe that even

the majority of the House of Commons can be so lost to the situation of the country, as not in some small degree to discern the probable consequences of national measures so conducted?

I much fear, with you, that the conduct of the minister on the one hand, and of his majority in Parliament on the other, is alone to be accounted for in a fixed determination to force this country to positive ruin and revolution, rather than sacrifice, for a moment, the smallest particle of that system of oppression, venality, and corruption, which you well state to be sapping; which I fear has already undermined, every fundamental excellence of the British constitution.

But though from the minister, and his devoted majority in Parliament, you expect nothing; still, from the people themselves you have some small hopes. You seem to think, they are at length roused from that state of lethargy and torpor we have so often deplored. I confess I am by no means so sanguine. The symptoms of convalescence are, in my mind at least, doubtful; the crisis, I fear, is not yet complete; and I cannot clearly discover, whether the present sensation is occasioned by renovated health and vigour, or by the spasmodick affection preparatory to approaching coma and death.

The stimulants you propose, may, however, in either case be of service; and I cannot differ with you in the propriety of endeavouring, in every legal manner, to awaken the people out of their long dream, to a due sense of their actual situation and true interests.

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With this view, you press me again to submit to the public my thoughts on the present financial situation of the country; and, in the language of partiality and friendship, express a belief, that such a statement might be favourably received.

It is a subject not generally interesting, because dry in itself, and little understood by the public; though the increasing difficulties of the country have undoubtedly, of late days, rendered the necessity of gaining some degree of information on its finance infinitely greater than at any former period: indeed some knowledge on the subject is absolutely requisite to any one who means to take the smallest part in the various important political considerations of the present day. This it was that led me, two years ago, to make it an object of considerable attention; and last year, I with diffidence submitted to the public my ideas on the financial measures of the year, from a conviction of the propriety of attempting to draw its attention to the many important considerations connected with it. With the same view, I fairly acknowledge I had it in contemplation to make a similar statement in the present year; but warned by the experience of the past, that the budget of the minister introduced at the beginning of the session, however heavy in itself, and burdensome to the people, forms but a small part of the annual supply to be raised, I had determined to withhold this statement till the session was advanced to a period, when the Chancellor of the Exchequer, from the necessity of
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the case, was reluctantly obliged to bring forward his second budget. To this determination, prudence, and every personal consideration, would still have induced me to adhere: but the weight of your opinion, together with the strongest conviction of the ruinous consequences that must follow the adoption of the desperate measures now in agitation; and, above all, a desire to encourage the people, by a manly and legal exertion, to avert the calamities hanging over their heads, has inclined me to change my original intention, by now venturing, as shortly as may be, through the medium of this Letter, to submit to them my view of the real impolicy of Mr. Pitt's present measures, their immediate tendency, and their ultimate effects.

With me, you will regret its unavoidable want of accuracy; but if the matter be in point, I confess I am not extremely solicitous about the manner; conscious that it will at least admit of this apology, that however inaccurate and erroneous it may be in itself, still it must be less faulty as a composition, than the Bill to which it principally alludes as a measure of finance. But before I enter upon this part of the subject, you may naturally expect that I should take a cursory view of our situation at the commencement of the present session of Parliament. This, indeed, will in some degree be necessary; for no wise man can think it possible to judge of any political measure, without knowing the circumstances under which it is projected; but above all, I am sure you must feel how necessary it is, in deciding on a plan of finance, to possess
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an impression of the actual state and temper of the country at the moment it is brought forward. It is from our relative situation in respect to the enemy, that we must judge of the probable extent of supply that may be necessary; and it is our knowledge of the degree of unanimity and enthusiasm, as well as capacity in the people, that must, in a great measure, qualify us for forming any prudent decision relative to the means to be adopted for raising it.

On the failure of the late negotiation it is but little necessary to touch. It is sufficient to know its unfortunate issue; and it is more than sufficient to observe the increased degree of virulence it has created on both parts since its termination.

You, I well know, always foresaw what would be the event. You early predicted the present ministers never could make peace; I confess I had no idea they ever would. In the whole of their conduct in either negotiation, they seemed to me to have had but one real object in view—to make their own temporary peace with the deluded people of this country, instead of treating for permanent tranquillity between the kingdom of Great Britain and the republic of France. I have never been able to discover in them any real intention to recover the blessings of peace; I have never been able to remark any sincere inclination to show the enemy that we wished for the conclusion of a treaty; nor have they exhibited, to my mind, the smallest readiness to meet, or smooth, any difficulties in the way.

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They may indeed boast that they have uniformly displayed an anxious wish to convey to the minds of the people of this country, the idea that the failure of their ostensible attempt to treat rested with the French, and not with them ; and in this I grant they have been greatly successful. You will observe, however, that this success originates in a great measure from a cause as novel in itself as disgraceful to its devisers. Hitherto the communications laid before the public by Government on any negotiation, whether successful or unsuccessful, have been merely official. The idea of giving minute and mutilated statements of private conversations and conferences, never did nor ever could enter the head of any considerate statesman. Such a person must at once have seen, how very liable every such statement must be to error and misconstruction ; that it must naturally lead to increase mutual jealousy and animosity ; and that in its effects it must tend to widen, not to fill up, the existing breach. To these ends this novel idea was most happily conceived, and as ably executed.

Lord Malmesbury has on this occasion, I really think, shown great talents and much ability : his statements are masterly ; his accuracy in detailing whatever may be useful to his purposes, wonderful ; his ingenious constructions of his adversaries meaning, admirable : and if we have not to thank him and his employers for making peace, we must at least acknowledge they showed great knowledge in selecting a person, who, though he failed for the people, succeeded completely in accomplishing the wishes.

wishes of ministers, at the trifling expense of increasing the existing animosity between the two countries.

As far, however, as we can learn, either from Lord Malmesbury's correspondence or the language of Government, the objects for which they are now continuing the war, are, compensation for our losses, and a careful regard to support that national honour and rank in the scale of Europe the minister has been completely ruining by every act of his government since the commencement of the present war.

The compensation so much insisted on, seems to be the island of Ceylon, the Cape of Good Hope, and the island of Trinidad. Whether the possession of these three places would be of any utility, with the exception of the port of Trincomalee, in Ceylon, may be a matter of much doubt. I confess, from every thing I can learn, I have no hesitation in saying, that I firmly believe the expense of the establishment at the Cape will be greater than any value we can possibly in reason attach to its possession; and that the transferring a large capital from this country, for the purpose of settling the island of Trinidad, would be exactly employing it in the least productive of all possible modes. But allowing for a moment that this compensation is of extreme importance to the country, will even the ministers say, that in our present situation they are willing to pay the sum of one year's war expenses for such possessions? Or are the people of England satisfied to see thirty millions torn from their necessities for the precarious

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chance of at some future period negotiating for the possession of these remote settlements? But our national honour is, it seems, concerned in carrying on Mr. Pitt's desperate measures*. The insolence he himself excites in the French, is to be checked, and we are to manifest to all, the dignified scale we still hold among the nations of Europe.

This, had we really the power of acting with energy and offensively against France, would be but the language of folly. In our present state, debilitated in our means, and exhausted in our financial resources, it is neither more nor less than imbecility and madness. In an individual, you well know that misfortune or failure never in itself constitutes loss of honour. It is a severe trial of the weakness of human nature; but he who can bring himself to suit the temper of his mind to the nature of his situation, though humbled, never can be disgraced, and will in the end rise superior to any calamity, however great. So is it now with this country. We have met both with misfortune and failure; and to the nature of our situation we must make up our minds, if we mean to be respected. We may go on deceiving ourselves, but others we can no longer delude. The minister may continue to boast of our victories, of our unanimity, of our

* How our national honour can be mentioned at the time we talk of such compensation, is truly wonderful; I admire Mr. Pitt's effrontery in making use of the word, at the moment he avows he is carrying on the war with a view to tear from the Dutch part of those very possessions, to protect which, was one of the acknowledged objects for engaging in the present contest.

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flourishing resources: but in the constant failure of the object of every military operation; in the rebellion in Ireland; in the late commotions in Scotland; in the restrictions on the Bank; and in the failure of the funding system, your enemy must see your true situation, and will take advantage of your progressive weakness. In such a state, the high-sounding language of the minister is but a proof of *his* folly and *our* degradation. In a good-natured mind it must excite pity; in our enemy it must generate contempt.

To me it appears in the strongest manner, that the difficulty of making peace rests not so much with our enemy as with ourselves. We must ultimately break down the temper of our minds to the real nature of our situation. We must learn to look, not at the proud state of the country when Mr. Pitt involved us in this unfortunate contest, but at the state to which he has now reduced us. For his misconduct, waste, and incapacity, we must now, however unwillingly, prepare to pay, not in our past and present burdens, however heavy they may be, but in our national importance and in our national consideration. We may look at the rank we held in the scale of Europe with regret; but we must prepare to stand in the station to which he has reduced us, if not with satisfaction, at least with patience. But though we must fall, it is with ourselves to make that fall revered and respected. Though our scale in Europe be lowered, yet we still may support our national honour: not, indeed, by Mr. Pitt's parliamentary declamation; not by his elaborate

and fallacious statements ; not by his rancorous and unavailing abuse of our enemy ; but by quietly assuming that situation the folly of our late conduct has entailed on us ; by instantly adopting a system of economy, rigid in proportion to the necessity of our circumstances ; and, lastly, by attempting to correct the abuses and defects of our own government, before we presume even to think of the government of others.

By a uniform adherence to this line, by a fair and manly acknowledgment of our past folly, and by patiently submitting to our present state, we must not only still be respected, but in time may look forward to better days.

A steady perseverance in the right will in the end not only atone for past folly, but secure future prosperity. By a farther perseverance in the wrong, we can alone entail on ourselves an accumulation of disgrace, and a certainty of ultimate ruin. We have to choose between truth, and a chance of salvation ; and Mr. Pitt, and a certainty of annihilation.

Such is my view of the public feelings, that will naturally, and which alone can tend to peace. Any attempt at negotiation by persons holding the opinions of the present ministers, is but a mockery. They may manage to throw the blame on the enemy ; but the real source of failure will be found in their past arrogance and misconduct, their present disinclination seriously to treat, and, I most firmly believe, in their positive determination to plunge the country still deeper into ruin, rather than listen to any call of wisdom and necessity, however urgent.

In conformity with this desperate resolution, and trusting to the obsequious support of the majority of Parliament, the minister, at the opening of the present session, after hanging out in the speech from the throne, as on former occasions, the delusive hopes of diminished expense*, opened his financial campaign by putting into the mouth of his Sovereign the following address to his Commons: “ In considering
 “ of the best mode of defraying the heavy
 “ expense which will still be unavoidable,
 “ you will, I am persuaded, bear in mind that
 “ the present crisis presents every motive to ani-
 “ mate you to the most effectual and spirited
 “ exertions; the true value of any temporary
 “ sacrifices which you may find necessary for
 “ this purpose, can only be estimated by com-
 “ paring them with the importance of support-
 “ ing effectually our public credit, and con-
 “ vincing the enemy that, while we retain an
 “ ardent desire for the conclusion of peace on
 “ safe and honourable terms, we possess the
 “ means, as well as the determination, to
 “ support with vigour this arduous contest, as
 “ long as it may be necessary for maintaining

* “ I trust that our expenses, though necessarily great in
 “ their amount, will, under the actual circumstances of the
 “ war, admit of considerable diminution, in comparison with
 “ those of the present year.” — *King's Speech, 29th October*
 1795.

“ The state of the war, joined to the happy consequences
 “ of our recent success, will, I trust, admit of some dimi-
 “ nution of expense, consistently with the vigorous efforts
 “ which our situation indispensably requires.” — *King's*
Speech, 2d Nov. 1797.

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“ the safety, honour, and independence of these
“ kingdoms.”

This new and unprecedented address created in some an expectation that our means would be displayed by the production of estimates equal to the probable expenditure of the year; whilst it occasioned a general curiosity to learn the nature of the temporary sacrifices that were at once to support public credit, and to display to the enemy our power of maintaining the arduous contest in which we are involved. I confess, for one, my hopes were not sanguine. I did not believe that the rooted habit of deceiving, for the purpose of temporizing, would permit the minister to make a fair statement of the probable expenditure of the year; and I had never discerned in his measures of finance, any features of a mind capable of forming or digesting a plan of extensive arrangement. In the event I have not been deceived, for I think I can convince you that his estimates are as deficient as his plan is unjust and improvident.

In the budget, the expenditure of the year is stated as follows:

Navy	•	•	•	•	•	•	£ 12,539,388
Army	•	•	•	•	•	•	10,112,950
Ordnance	•	•	•	•	•	•	1,291,038
Miscellaneous services	•	•	•	•	•	•	673,000
Commissioners of the national debt	•	•	•	•	•	•	200,000
Deficiency of grants	•	•	•	•	•	•	677,000
Total							£ 25,493,376

Of this there is appropriated as a complete provision for the expenditure of the army, navy,
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and ordnance, the sum of 23,943,376/. I subjoin a statement (Appendix, No. I.) of the estimated and actual expenditure of the two last years, that you may see what a strange coincidence there has uniformly existed in the calculations of the minister at the commencement of the session of parliament, concerning the expenditure of the future year. From it the common rules of arithmetic will enable you to form no imperfect conclusion concerning the probable excess of the estimate we may expect in the month of April next, and of the expenditure that will be avowed in the month of October or November.

In former publications, I have attempted to ascertain the probable expenditure of the current year, by adding to the estimated services a sum for extraordinaries, equal to what was expended in the preceding year; and the conclusion which this has produced, has hitherto been uniformly deficient. Yet formed on this plan, you will see, from the following estimate, how much the probable expenditure of the navy, army, and ordnance, would exceed what has been stated to Parliament.

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Navy, 110,000 seamen	£ 5,434,000	
Ordinary	689,858	
Extraordinary	639,530	
Unestimated expenditure, the same as last year	9,499,327	
	<hr/>	16,262,715

A R M Y.

Expenditure of the army as stated by Mr. Pitt, exclusive of 2,500,000l. provided for future extraordinaries	7,612,950	
Extras, the same as last year	5,300,000	
	<hr/>	12,912,950

O R D N A N C E.

Suppose amount as voted		1,291,038
		<hr/>

Total expense of the army, navy, and ordnance, sup-
posing the extras the same as last year 30,466,703

Sum provided by Mr. Pitt for the service of the army,
navy, and ordnance 23,943,376

Apparent deficiency in Mr. Pitt's provision £ 6,523,327

Can the minister imagine that such deficiencies in the estimates offered to Parliament, will escape the observation of our enemy? Do you think they will attribute his conduct to a degree of weakness that occasions his annually deceiving himself, or a degree of wickedness that makes him periodically attempt to deceive the public? or do you not rather believe, that, unfortunately for the country, they will consider his fallacies and wretched subterfuges as proofs of his knowledge of our incapacity to maintain the contest?

Had estimates been brought forward, such as experience authorized, and common sense required; had they been provided for in a manner which

which indicated no temporizing on the part of the minister, and created no murmur on the part of the public. It might have tended to convince the enemy, that we had the means, as well as the determination, to support with vigour this arduous contest. But if the estimate of our expenses is calculated to excite their suspicion, I am afraid you must agree with me, that the mode of providing for this deficient estimate, seems formed to confirm a belief, that our resources are exhausted.

The ways and means to which he has resorted are:

A loan from the Bank	—	—	£3,000,000
To be raised within the year by an assessment on property	—	—	7,000,000
To be raised by loan, and provided for by permanent taxes in the usual manner	—	—	4,000,000
To be raised by loan, the amount of which is to be redeemed by continuing the assessment on property	—	—	8,000,000
		—————	12,000,000
Land and malt	—	—	2,750,000
Lottery, and growing produce of the consolidated fund	—	—	700,000
		—————	
	Total		£25,450,000
			—————

I am sure, the very first article that presents itself must strike you with astonishment; you are not unacquainted with the reports of the Houses of Parliament on the affairs of the Bank; you must remember the unanimous opinion of the Directors, that the extensive advances to Government was one of the chief causes of deranging their affairs; you cannot have forgot
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the large repayments made to the Bank—an acknowledgment, on the part of Parliament, of the justice of that opinion; and I think you must be as much puzzled as I am to discover any traces of wisdom or policy in our now borrowing, the sum that it was thought so necessary for us to repay.

At the time the restraint was laid on the Bank, it was generally regarded as a misfortune, which we were anxious to convince ourselves, and eager to convince our enemies, would be soon retrieved; but the minister has now grown familiar with the situation; he even views it as a resource which he was so anxious of displaying to the enemy, that, at the expense of truth, he came to Parliament to state the consent of the Bank to advance 3,000,000*l.* as part of the ways and means of the year, when he knew they had with difficulty agreed to accommodate him with it for a few months; and that, of course, could not be so stated.

Supposing, however, for a moment, the Directors had been imprudent enough to authorize the measure, let me call your attention to the ruinous and inconsistent policy of coupling a loan from the Bank with a project of taxing income, as means of raising the supplies. The consequence of the former we may pronounce, on the authority of the Directors, is to produce an immediate increase in the circulating medium; whilst common sense tells us, that the latter, by abstracting from income, must lessen expenditure; that the diminution of expenditure must abridge the number of exchanges in the country;

try ; and that a smaller quantity of circulating medium must of course be required. Most men have thought, that there was no surer receipt for abridging the credit of the Bank, than seizing the opportunity of the restriction for extending the issues of its paper ; but you must acknowledge the superiority of this refined device, which insures a diminution in the demand for its notes at the moment you occasion an increase of the issue.

These are remarks which I consider as material, though they are undoubtedly subordinate to the discussion of the new plan for raising the supplies, which is to be carried into execution by the bill before Parliament, for granting to his Majesty certain additional duties on the amount of certain duties, now charged by assessment, for a time to be limited.

This bill, we are told by its authors, contains two principles.

1st, It asserts, that raising part of the supplies of the year by an assessment on property, is preferable to the means which this country has uniformly practised.

2dly, It maintains, that the assessed taxes form the best evidence of property, and afford, of course, the best criterion for imposing such an assessment.

Were I disposed to coincide with the minister in adopting the first principle which this bill assumes, I should still think there were circumstances which ought to have deterred him from bringing it forward at the present moment. How can he account for having kept back

this discovery till he has added upwards of 200,000,000*l.* to our debt? Does he think it fair, or prudent, to have persevered in the funding system, till he has raised the market price of interest to such an extent that no man can borrow, and then to come forward with a plan, which, to most men, must create the necessity of a loan?

Can the minister be so infatuated, as to imagine that the pecuniary embarrassment he must thus create is a judicious means of displaying our resources? Foreigners have long regarded the ease and facility with which the funding system enabled us to provide our supplies as the source of British power; by funding, they had seen that we had hitherto procured any sum that was wanted; they had no ground for calculating how long we could hold out. What must then be their conclusion, when they see it abandoned by the minister at the risk of creating such general pecuniary embarrassment? To have persevered in it, if injurious, might perhaps be considered as the sacrifice, of all others, that tended to convince the enemy of our means. To have abandoned it, however mischievous, at the present moment, can hardly be vindicated.

But I do not wish to rely on any objections, however important, that may be considered as alone applicable to the period in which this measure is brought forward. I have long maintained a decided opinion, that funding is the best and most prudent means of defraying the extended expenses of modern warfare; and I cannot now state to you the grounds of that opinion

opinion in clearer terms, than by repeating what I urged on this subject in the *Thoughts on the Finance of the last Session of Parliament*.

“ When by legislative power we force contributions to a loan from the various property of individuals in equal proportions, without relation to the manner in which it is employed, we obviously abstract from the produce of a future year an interest on the sum borrowed, at the rate of the average produce of the whole property. But a loan to the same extent, raised by voluntary subscription, when the interest of the individual dictates the offer, can only draw off, from the produce of another year, a sum equal to the extent of the profit made by a similar share of the least productive part of our property.— This may appear obscure when stated in the abstract; but there is nothing more clearly founded in truth, or more distinctly susceptible of demonstration. Let us for a moment suppose, that the property of any nation amounts to a hundred millions, and that it is employed so as to render an annual produce as follows :

<i>Property employed.</i>			<i>Reproduction.</i>	
£.				£.
20,000,000	so as to return	13 per cent.	that is	2,600,000
20,000,000	ditto	11 per cent.	ditto	2,200,000
20,000,000	ditto	9 per cent.	ditto	1,800,000
20,000,000	ditto	7 per cent.	ditto	1,400,000
20,000,000	ditto	5 per cent.	ditto	1,000,000
Total reproduction 9,000,000 <i>l.</i> one tenth of which is 900,000 <i>l.</i>				

“ If

“ If the necessity of such a country required
 “ an immediate supply of 10,000,000*l.* interest
 “ could alone induce the proprietors of that
 “ which produced 5 *per cent.* to subscribe to a
 “ loan opened at $6\frac{1}{2}$; and this measure of
 “ finance could therefore only derange a repro-
 “ duction of 500,000*l.* But if two millions
 “ are taken by force out of each of the twenty
 “ millions, the consequence will undoubtedly
 “ be the derangement of the reproduction of
 “ 900,000*l.*

“ From this view of the subject it follows
 “ with certainty—

“ 1st, That money raised by assuming a
 “ proportion of the property of all, must oc-
 “ casion a greater loss to every country, than a
 “ sum of a similar extent borrowed by vo-
 “ luntary subscription, except we can find a
 “ nation where the whole property is so em-
 “ ployed as to produce equally.

“ 2dly, That the measure of that loss must
 “ be a *per centage* on the sum borrowed, equal
 “ to the difference betwixt the produce of the
 “ least productive part of the property, and the
 “ average produce of the whole.”

It appears to me impossible, in opposition to
 these considerations, to maintain the propriety
 of providing for the supplies by a proportional
 demand on capital; and I cannot imagine, that
 any man acquainted with the first rudiments of
 political economy, can urge the propriety of
 such an assessment on income.—“ *Que le gou-*
 “ *vernement economique ne s'occupe qu'à favoriser*
 “ *les*

“ *les depenses*,” is a maxim of one of the wisest writers on these subjects ; and he who considers that all encouragement to reproduction depends on demand, that demand can alone be created by expenditure, will hardly vindicate an assessment on income, which must produce such a formidable reduction of expenditure.

To induce a man of common prudence to abandon the project, it seems alone sufficient to contemplate the effects of it in the narrow view of its relation to our revenue. That part of our revenue which is dependent upon consumption, has been stated to Parliament to produce 17,400,000*l.* in the year ending 10th of October 1797. It is the avowed wish of the minister to secure, by his project, a tenth of the income of individuals ; if he succeeds in the attempt, their expenditure will be proportionably diminished, which must inevitably strike off from the receipt of a future year 1,740,000*l.* being a tenth of the revenue which the consumption of the present year has generated. Is the giving such a premium to raise 7,000,000*l.* any proof of our resources ? or must it not be deemed a degree of prodigality, which nothing but necessity can vindicate ?

I am afraid, however, this immediate loss is not the most formidable diminution with which this measure threatens our revenue ; the habit of abstinence which this projected reduction of income for two years and a quarter will generate, may not be so easily conquered ; and the diminished receipt of our existing revenue will
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probably long continue to bear testimony to the rash folly of this novel arrangement.

Mr. Dundas, I am told, has said that this diminution of revenue will be prevented by Government's expending the 7,000,000*l.* which is thus abstracted from the income of individuals; but I am sure the minister cannot give countenance to his argument; for, on the principle he adopts, I should have a right to state the effect of the 33,000,000*l.* of capital borrowed and expended last year in producing the receipt of 17,400,000*l.*; and as it is hardly possible to maintain that the expenditure of individuals can amount within the year to more than 99,000,000*l.* the inference would be irresistible that 4,350,000*l.* of our revenue was produced by this extraordinary expenditure, which would reduce the total receipt of both old and new taxes, independent of what is thus created by the extra expense of the war, to 13,050,000*l.* being more than a million less than the produce of the old taxes alone in the year 1792.

On the second principle which the minister endeavours by this bill to establish, viz. that the assessed taxes form the best evidence of property, and are, of course, the best criterion for collecting an aliquot part of men's estates; I differ so far, that I regard it as the worst of all the numerous means of forming an estimate of property that has at various times been suggested.

You will observe that the supporters of this measure are bound, in defence of the principle adopted, to maintain three positions: 1st, That
the

the assessed taxes form a criterion of real expenditure. 2d, That expenditure is a fair criterion of income. 3d, That income affords a just criterion of property. Yet to none of these propositions does it appear possible that a man of common sense can accede.

1st, I deny that the assessed taxes can be deemed any criterion of real expenditure; for the observation Sir W. Petty formerly made concerning a house, appears to me to be applicable to most of the articles on which assessed taxes are imposed: “ An house is of a double nature, viz. one
“ wherein it is a way and means of expense;
“ the other, as it is an instrument and tool for
“ gain.”

In the case of my printer, for example, his printing-house is one of the most expensive instruments of his trade: the rent and the assessed taxes he already pays for it form no inconsiderable deduction from his profits; yet judging on the principle adopted in this bill, Mr. Pitt whimsically considers one of the means by which he is impoverished as a just criterion of what he can expend. I select his case, because, from my present pursuit, it is more immediately in my mind; but it is no way singular; nor are the hardships it suggests alone confined to the numerous classes of tradesmen, whose shops can be considered in no other light than as instruments for carrying on their trade. A chariot is, in like manner, a necessary instrument for a physician; a horse to a pedlar, a butcher, a country apothecary, an attorney, or a merchant; and, above all, horses employed in husbandry

are most emphatically so to the farmer ; yet the principle of this bill compels us to regard these drawbacks on the profits of the industrious in those various classes as symptoms of their luxurious expenditure, and as proofs of their capacity to aid and assist the public.

2d. If for these reasons I cannot regard the assessed taxes as affording any evidence of real expenditure, far less do I conceive it possible that any man can deem expenditure a criterion of income. To a man of your observation it is a farce to argue this proposition ; you cannot doubt of its fate, if those who are to decide upon it, will review the different situations of men in society ; and recollect how many they have known, in entering into various professions, compelled to an expenditure inconsistent with the income they possess—how many they have seen with numerous families forced to expend more than they can afford—how many, either from covetousness or prodigality, drop all consideration of their income in regulating their expenditure ; and, above all, how few they have witnessed displaying throughout life a regular, steady regard to the due proportion betwixt their income and expenditure.

3d. In this strange chain of reasoning which must be used by ministers to prove the assessed taxes to be a fair criterion of property, there is no step more ridiculous than that of considering income as a criterion of capital. The income of no professional man is worth any thing like the value of an annuity during his life. The profits of trade acquired by a merchant
bear

bear a very different proportion to his capital from what the rent of a landed gentleman does to the value of his estate. The dividend of the proprietor in the funds indicates a capital much smaller than what is possessed either by the mortgagee or the landholder, who has an equal receipt. Yet with a thorough contempt of every circumstance that experience displays to us in relation to property, this levelling plan deems income an evidence of capital throughout; it draws no distinction betwixt a life-renter and a proprietor in fee; it presumes that the widow, whose jointure of 1000*l.* *per annum* may not be worth 2000*l.* has a property equal to that of a man of 1000*l.* *per annum* landed estate, which is perhaps, even now, worth 27,000*l.*; and it puts the 7000*l.* *per annum* that Mr. Pitt enjoys as First Lord of the Treasury (which, if there is sense or spirit in this country, is hardly worth ten days purchase) on the footing of a freehold estate producing the same income, worth, probably, 180,000*l.*

I think these considerations must suffice to convince how imperfect a test of property income must at all times form; but let me observe that there are hardships in adopting income as a criterion for taxing property peculiar to a mercantile country.

The profit of all capital arises from the circumstance of its supplanting a certain portion of labour; the profit of mercantile and manufacturing capital, from supplanting a portion of that labour which would be otherwise requisite in preparing for consumption, or conveying to the consumer the different objects of

his desire. Diminish consumption by taxing income, and you must proportionably reduce the profits of the merchants and manufacturers: such a tax does not fall equally on the property of all; it strikes with peculiar address at the stock of the industrious.

I will illustrate its efficacy in this respect, by stating a specific case: My acquaintance Mr. Black has a property of 10,000*l.* which lent on mortgage produces him 500*l.* *per annum*: under the regulations of the bill his assessed taxes will exceed a tenth of his income; but, as he informs me he means to swear off, he will of course pay 50*l.* My friend Mr. Brown is a merchant: his capital in trade amounts to 10,000*l.* from which he has, for some years, cleared 1000*l.* *per annum*; his payment, under the new bill, will exceed 100*l.* which is the tenth of his income; but he cannot reduce it by his oath, for he feels it would be injurious to his credit; unfortunately for him, however, this is not the only reduction in his income that he foresees this tax will create; he cannot conceal from himself that the consumption of the articles of his traffic must be reduced in proportion to the sum torn from his customers; and that in proportion as his taxes, in conjunction with those of others, are augmented, the means of his payment must be diminished. In the present instance he is aware that if a tenth of the revenue of his customers is abstracted, a tenth of his profits must vanish; and that, as this tax assumes directly upwards of 100*l.* from his income, so it will indirectly deprive him of 100*l.*

more.

more. Can such a scheme be listened to with patience in a commercial country? Is it possible the British Parliament can sanction a plan, the obvious consequence of which is to tax the industrious proprietor of 10,000*l.* who uses it to enrich the community to the extent of upwards of 200*l.* whilst he who leads an idle and unproductive life on the annuity he derives from his mortgage of 10,000*l.* will be taxed with the payment of only 50*l.*?

Let not the minister fancy that this obvious consequence of his project can escape an enlightened people, and let him tremble at the consequence it must have on trade. The merchants of this country are not, like him, in the habit of shutting their eyes on futurity, and deceiving themselves on the subject of finance; they will look forward to another year, and, in the repetition of this attack on the wages of their industry, they must discern the approaching annihilation of all distinction betwixt the profits of the idle and the industrious capitalist.

Such are my objections to adopting the assessed taxes as evidence of property. To your inquiry, whether I know of any fairer criterion, I reply, that though, undoubtedly, I know of many better, I know of none that are good, and I cannot prevail upon myself by any such suggestions to give countenance to a measure which, in the opinion of our most eminent masters of political economy, never can with propriety be adopted in a free country.

“ Capitation taxes, if it is attempted to
 “ proportion them to the fortune or revenue of
 “ each

“ each contributor, become altogether arbitrary. The state of a man’s fortune varies from day to day; and without an inquiry more intolerable than any tax, and renewed at least once every year, can only be guessed at. Such taxes, therefore, if it is attempted to render them equal, become altogether arbitrary and uncertain; and if it is attempted to render them certain and not arbitrary, become altogether unequal. Let the tax be light or heavy, uncertainty is always a great grievance. In a light tax, a considerable degree of inequality may be supported; in a heavy one it is altogether intolerable.

“ In England the different taxes of this nature never produced the sum which had been expected from them, or which, it was supposed, they might have produced, had they been exactly levied: in France they always produced the sum expected. The mild government of England, when it assessed the different ranks of people, contented itself with what that assessment happened to produce, and required no compensation for the loss which the state might sustain, either by those who could not pay, or by those who would not pay—for there were many such.”—*Smith’s Wealth of Nations*.

“ There have been in our times ways of levying an aliquot part of men’s estates, as a fifth, and twentieth; viz. of their estates real and personal, yea, of their offices, faculties, and imaginary estates also. In and about such way, may be so much fraud, collusion,

“ op-

“ oppression, and trouble, some purposely
 “ getting themselves taxed to gain more trust,
 “ others bribing to be taxed low ; and it being
 “ impossible to check or examine, or trace these
 “ collections by the print of any footsteps they
 “ leave, that I have not patience to speak more
 “ against it, daring rather conclude without
 “ more ado, in the words of our comic writer,
 “ to be naught, yea, exceeding naught, very
 “ abominable, and not good.”—*Sir Wm. Petty*
on Taxes and Contributions.

History furnishes us indeed with instances of heavier contributions from property than that which is now proposed ; but they were imposed under circumstances that made it unnecessary to resort to any criterion, or invidiously to require any scrutiny of the private fortunes of individuals. In Holland, soon after the exaltation of the Prince of Orange, a tax of 2 *per cent*, or the fiftieth penny, as it was called, was imposed upon the capital of every citizen. There every man assessed himself, and it was generally supposed to be paid with great fidelity. Doctor Smith, in his *Wealth of Nations*, tells us that the people had, at that time, the greatest affection for their new government. Mr. Pitt, however, I suppose, does not think he can confide in the enthusiasm of the people of this country for the new-modelled constitution with which he has furnished them ; and this tax is therefore to be imposed with a retrospect—a measure unjust in itself, and which, under the circumstances of the present case, has its peculiar hardships.

Late in the last year the Chancellor of the Exchequer increased the assessed taxes by new im-

impositions nearly a quarter *. At the time of proposing the present measure, this increased duty had not been collected, so that no man had an opportunity of modelling his expenditure, from feeling the effects of the real amount of these assessed taxes, which are now adopted as a criterion of his property.

The atrocity of the measure is in every view unprecedented; in the annals of finance I know of nothing that in principle, in the smallest degree, resembles it; except it is the decree of the Convention on the 7th of June 1794, for levying a war contribution, which is in the following terms:

“ Art. 1. That for the present year alone, an
 “ extraordinary war contribution shall be esta-
 “ blished: that this contribution shall consist
 “ of the tenth of the sums carried to the lists
 “ of the forced loan, established by the law of
 “ the 3d of September last, old style.

“ Art. 2. That this extraordinary contribu-
 “ tion shall attach upon all those whose names
 “ are contained in such lists, in the proportion
 “ fixed by the first article, and according to the
 “ sum at which they have been assessed †.”

* 10 per cent. on the assessed taxes, and new mode of collecting house taxes	—	—	—	£.
				290,000
Horses employed in agriculture	—	—	—	150,000
Watches, clocks, &c.	—	—	—	200,000
Male servants	—	—	—	34,000
Additional duty on horses kept for pleasure	—	—	—	24,000
20 per cent. additional duty on horses kept for agriculture	—	—	—	30,000
				<hr/> 728,000 <hr/>

† Collection of State Papers, printed for J. Debrett, vol. ii. p. 109.

But it is said, that this offspring of Robespierre's, adopted by our minister, is to be fashioned into favour with the people of England by certain modifications, which are now under the discussion of the Committee.

I cannot here enter into all the minute alterations, some of which suited the fancy of Mr. Dundas, and others the taste of Mr. Pitt. But I must solicit your attention to the principal means by which relief is attempted to be administered. These are, 1st, By a declaration and oath of the amount of private fortunes: 2dly, By a diminution of the assessment on the lower, and an increase on the middling and upper orders of society.

The enactments on the subject of the first of these entitle any person so inclined to obtain a diminution of his assessment, by stating upon oath, that the sum to be levied exceeds a tenth of his annual income. I will leave the evident tendency such a measure must have to generate perjury, and every species of immorality, to be digested by the devout author of *The Practical View of the prevailing Religious System*; but I must remark, that in this happy device we have another opportunity of admiring the fertile genius of the minister, in giving relief to the idle and indolent capitalist, where he affords none to the laborious and industrious.

Nothing but extreme vanity can hinder the mortgagee from stating the exact extent of his income; it is easily defined; he has no reason for concealing it, and it suits the indolent habit of his existence, at once to remove all difficulty by swearing to his income. But is it so with

the industrious? The reverse will exactly be found to be his case.

The wisdom of the Dutch, when they adopted a similar measure, suggested, that every man should take an oath to pay a given sum in proportion to his income; and the income of none was disclosed, for there were no means of tracing the particular payments of any man. But the minister's plan requires an oath merely to diminish what he attempts to lay on; which forces a positive disclosure of the state of the affairs of those who choose to benefit by it. I will not enter into the general impolicy of such a measure, it is too glaring to require it; but let us for a moment look at its consequence, as applicable to the middling class of the mercantile part of this country. Let us consider the grounds on which a merchant or manufacturer can be in the situation to enable him, if he wished it, to take the benefit of this clause. It can be but one of two; either that he had generally lived beyond his means, or that his income has diminished, in consequence of unforeseen losses, below the common course of his expenditure. In the first of these cases, his situation is occasioned by his folly; in the second it may be merely his misfortunes.

When such a man comes forward to take an oath in diminution of his assessment, what must he declare? In the one instance, he must proclaim to the world his folly; in the other, his calamity: and in both the downfall of his credit must to a certainty ensue. It is impossible to imagine, that such a measure can be
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adopted

adopted in a mercantile country as affording relief. Year after year, since the commencement of the present war, the middling class of merchants and manufacturers have seen their means decreasing, and their burdens augmenting. Patiently have they submitted; struggling to support their credit, in hopes of better days; they have very generally outlived their income; but now they are to be assessed up to the rate they found it necessary to live to maintain their credit; and as a relief, are offered by Mr. Pitt the sad alternative of either paying an assessment beyond their present means, or of disclosing, on oath, the reduced state to which his measures have brought their affairs.

Such is this boasted relief, which, with a general tendency to immorality, may indeed accommodate idleness, but can alone insult the feelings of the industrious and the suffering trader.

The other modification so much relied on, consists in diminishing the assessment on the poor, and augmenting it on the more wealthy orders of society. Against the principle of this, no man who feels for the lower classes can have the smallest objection. But the truth is, that, however good in the theory, it cannot in the present case be brought into practice. Allowing even that the lower orders were relieved totally from the immediate requisition, let us look how the levying the increased rate on the rich must ultimately affect them.

Every man of any experience must acknowledge, that the increased price of commodities,

and the habits of the wealthy in this country, lead them to live pretty generally up to their income. In the present state of the monied market, it is perfectly impossible they should borrow; the sum, then, they are assessed, must of necessity be raised by a saving of income. This reduction of annual expenditure must proportionably diminish the receipts of the lower classes, not only for the time; but as habits of economy, when adopted, from whatever cause, are seldom relinquished, from the date of the passing of this bill, most probably for ever.

The lower orders may, by such modifications, be flattered, that the measure will now fall lightly upon them; but in the end they will too surely discover, that though ostensibly exempted, they will be, at least, common sufferers with others, and probably greater sufferers than the classes whose assessments are augmented, with the deceitful and short-sighted view of affording them relief.

This fallacious relief, it is said however, will produce a diminution of at least 1,500,000*l.* in the sum to be raised.

However much I may approve of any attempt, even in the most trifling degree, to diminish the effect of the operation of the present bill on the lower orders, I must think, that the diminution in the gross sum to be raised, forms the strongest of all reasons against adopting the measure.

It must have been a large and extensive object, indeed, that would afford an inducement
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for proposing it: nay, it must have been the extent of the benefits to be derived, that could alone give hopes of its adoption. The magnitude of the sum raised might plead a feeble apology for all the evils attending it, for the general disgust it has created, for the shock it has given, and for the general calamity it will insure.

How far the raising seven millions was an object adequate to these evils, I will not now contend; but allowing it in any degree to have been so, it cannot escape your observation, that, should it pass thus modified, a fourth of its utility will avowedly be at an end, and the whole of the evil it will produce must remain.

Lord Mornington, in his speech printed January 1794, after describing the measures of finance in France, says, “ From this disgusting
 “ scene let us turn our eyes to our own situa-
 “ tion: here (to use the eloquent language of a
 “ distinguished member of this House) we
 “ see nothing of the character of arbitrary
 “ finance; none of the bold frauds of bank-
 “ rupt power; none of the wild struggles and
 “ plunges of despotism in distress. Here we
 “ behold public credit of every description
 “ flourishing under the disadvantage of a gene-
 “ ral war; an ample revenue flowing freely
 “ and copiously from the opulence of a contented
 “ people.” What a strange change does the
 scenery of these times exhibit!—Mr. Pitt, endeavouring by modifications to render a forced loan palatable to a British Parliament, at the moment the Directory of France are attempting
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to raise a loyalty loan ! But in this I do not believe he can succeed. I must think, that though the House of Commons has been induced to adopt the principle, they will pause, and consider the practicability of the measure. Such a sum as the government of this country must attempt to raise, if this project is carried into execution, never was collected in any nation, in the course of one year, without convulsion ; and it remains to be proved that it ever can. I think it is impossible to controvert the following statement of its amount :

Amount of the receipt of the old taxes, on an average of three years preceding the war	£. 14,098,757
Estimated produce of the new taxes imposed since the war *	7,715,812
Land and malt	2,750,000
New assessment	7,000,000
Charge of management †	1,174,525
	<hr/> 32,739,094 <hr/>

Unfortunately, however, this is not all ; for in the course of this year, if the Chancellor of the Exchequer fairly meets the necessities his measures create, he must impose further permanent taxes to the amount of one million and a half.

In his budget, he has confessed an excess of unforeseen Navy debt to the amount of three millions ; there are Exchequer bills issued during

* See Appendix, No. II.

† See Report of the Committee of Finance in the Customs, page 10. This sum might be stated to amount to nearly two millions ; but it is not at present an object to enter into this discussion.

the last year, to the extent of three millions more. To provide for these, I have heard, he says he has already imposed taxes sufficient. But it is impossible that he can maintain this position. The charge created by funded debt, in the course of last year, as appears from the account laid before Parliament, in terms of the 27th Geo. III. chap. 13, amounts to 3,368,052*l.*; and the estimated amount of the taxes he imposed, as you will see by the list subjoined (Appendix, No. II.), was only 3,318,000*l.*

I have long observed, that there has existed a disposition to juggle upon this subject. But that you may not be deceived into a belief that there is a provision made for any part of the unfunded debt, I have added (Appendix, No. III.) an account of the charge created by the funded debt, since the war, and of the receipt of the taxes imposed; by which you will discover, that allowing the taxes 1797 to produce their estimated amount, there is, in the most favourable point of view, a deficiency of more than 600,000*l.*

In the budget, the minister has stated his intention of providing permanent taxes for the interest and sinking fund on 4,000,000*l.*; and I have endeavoured to prove, in page 16, the necessity of a further sum of 6,523,327*l.*

To all this must be added, a provision for the three millions the Chancellor of the Exchequer pretends the Bank has consented to advance, as part of the ways and means.

The further sum to be provided for must therefore be

Exchequer bills outstanding	£ 3,000,000
Excess of navy debt	3,000,000
Loan from the Bank	3,000,000
Loan Mr. Pitt has announced	4,000,000
Further sum proved necessary, p. 16	6,500,000
Total	£ 19,500,000

If taxes are to be imposed to cover the charge on account of interest and sinking fund, on this sum, at the rate of the charges on the last loan, the new permanent impositions must amount to the sum of 1,631,500*l.*; and this, added to the 32,739,094*l.* as stated p. 38, will make the total to be collected during the ensuing year, 34,370,594*l.*

On the awful magnitude of this sum, I leave you to reflect. It is nearly equal to three times the amount of any loan that was ever negotiated before the finances of the country were placed under the management of the present Chancellor of the Exchequer; and it exceeds the total supply voted before the last session, in the most calamitous years of warfare*.

I have thus stated, as fully as the shortness of the time would permit, my view of the measure

* Amount of the supply, as voted in various years of warfare.

	£.	s.	d.		£.	s.	d.
1756	6,936,496	18	11	1778	15,421,835	12	7
1757	8,410,822	8	6	1779	17,018,110	0	10
1758	10,968,540	1	1	1780	22,186,470	10	9
1759	13,108,555	1	2	1781	25,373,524	10	8
1760	15,942,217	2	8	1782	24,527,775	11	6
1761	19,213,680	15	5	1783	20,022,243	13	11
1762	18,625,046	11	9	1793	17,799,718	15	5
1763	10,246,609	9	9	1794	24,164,077	18	9
1776	10,195,242	18	6	1795	32,751,496	4	1
1777	13,996,105	18	9	1796	32,101,454	9	3

now

now under agitation. It is unjust in its principle; oppressive in its tendency; and comparatively trifling in the benefit it can afford. In this point of view, it is universally regarded here, and by none more so than by those of the middling orders of society, who used to distinguish themselves as zealous partisans of the minister. But though they have forsaken him, he has not abandoned his predilection for this darling measure. I am told, he has even declared that no power on earth, but the all-powerful arm of Parliament, should induce him to relinquish it. Is it possible that the minister who makes this declaration should be Mr. Pitt! the very Mr. Pitt, who in the year 1784 obtained his present situation by holding out the all-powerful arm of the people against the voice of their representatives! And under what circumstances did he then appeal to the voice of the people? Under what circumstances does he now announce his exclusive reliance on the opinion of Parliament? In 1784, the people were to decide on interests the most remote, on policy the most complex, that ever engaged the attention of this country. Then their voice was to be paramount to the resolutions of their representatives. In 1797, they unanimously express their opinion, on a measure solely affecting their immediate interests, where no remote policy is concerned, where the source of their feelings is comprehended in the great law of self-preservation. Then does the same minister avow, that no representation of their misery, of their incapacity,

capacity, or of their impending ruin, shall alter his dire resolution of extorting from them that which every person who is engaged in collecting the former assessed taxes, declares uniformly, they are unable to pay.

EXPENDITURE OF 1796.

Estimate of the Expenditure for the Year 1796, under the Heads of Army, Navy, and Ordnance, as stated by Mr. Pitt, Dec. 7, 1795.

ARMY.		£.
Estimate . .	6,104,000	
French Corps .	300,000	
Sardinian Subsidy	200,000	
Extraordinaries .	2,646,000	
Estimated Extras	350,000	
		9,600,000
NAVY.		
110,000 Seamen	5,434,000	
Ordinary . .	624,152	
Extraordinaries .	708,400	
Estim. Navy Debt	2,500,000	
		9,266,552

ORDNANCE.
Total Estimate under this head . . . 1,744,471

Increased Estimate of the Expenditure for the Year 1796, under the Heads of Army, Navy, and Ordnance, as stated by Mr. Pitt, April 18, 1796.

ARMY.		£.
Expenditure under this head, as stated Dec. 7, 1795	9,600,000	
To supply deficiency of the Extras	355,000	
Sum for future Army Extraordinaries	1,221,000	
Further sum for do. to be raised within the year .	800,000	
		11,976,000
NAVY.		
Expenditure under this head, as stated Dec. 7, 1795	9,552,552	
Further estimated Navy Debt .	1,500,000	
		11,052,552

ORDNANCE.
Expenditure under this head, as stated Dec. 7, 1795 1,744,471
Further sum stated as necessary . 200,000

Total Amount of the real Expenditure under the Heads of Army, Navy, and Ordnance, during the Year 1796.

ARMY.		£.
Estimate . .	6,104,000	
French Corps .	300,000	
Extraordinaries	6,000,000	
Received from the Vote of Credits	2,500,000	
		14,904,000
NAVY.		
110,000 Seamen	5,720,000	
Ordinary . .	624,152	
Extraordinary .	708,400	
Navy debt contracted . .	8,764,087	
		15,816,639

ORDNANCE.
As stated April 18 . . . 1,944,471

EXPENDITURE OF 1797.

Estimate of the Expenditure for the Year 1797, under the Heads of Army, Navy, and Ordnance, as stated by Mr. Pitt, Dec. 7, 1796.

NAVY.	£.
120,000 Seamen	6,240,000
Ordinary	653,573
Extraordinary	768,100
Estimated Navy Debt	2,500,000

10,161,673

ARMY.	
Per Estimate	6,613,000
Extras	4,300,000

10,913,000

ORDNANCE.
Amount as voted

1,623,000

Total £ 22,697,673

Increased Estimate of the Expenditure for the Year 1797, under the Heads of Army, Navy, and Ordnance, as stated by Mr. Pitt, April 26, 1797.

NAVY.	£.
120,000 Seamen	6,240,000
Ordinary	653,573
Extraordinary	768,100
Towards further Naval expendit.	4,999,327
Further sum for which interest was provided	1,500,000

14,161,000

ARMY.	
Estimate	6,600,000
Extras, 1796	3,387,000
Due for Treasury Bills and Army Warrants outstanding	2,088,000
Future Extras	4,000,000

16,075,000

ORDNANCE.
Amount as voted

1,623,000

Total £ 31,859,000

Total Amount of the Expenditure, under the Heads of Army, Navy, and Ordnance, of the Year 1797, as stated by Mr. Pitt, the 24th of Nov. last.

NAVY.	£.
Expenditure under this head, as stated the 24th of April	14,161,000
Excess of expenses, as admitted by Mr. Pitt	3,000,000

17,161,000

ARMY.	
Expenditure under this head, as stated 24th of April	16,075,000
Excess, as admitted by Mr. Pitt	1,300,000

17,375,000

ORDNANCE.
Amount as voted

1,623,000

Total £ 36,159,000

EXPENDITURE OF 1798.

Estimate of the Expenditure for the Year 1798, under the Heads of Army, Navy, and Ordnance, as stated by Mr. Pitt, Nov. 24, 1797.

Army	• • • • •	£ 10,112,950
Navy	• • • • •	12,539,388
Ordnance	• • • • •	1,291,038
		<hr/>
		£ 23,943,376

Probable increased Estimate for the Year 1798, as it will be stated by Mr. Pitt, under the Heads of Army, Navy, and Ordnance, April 1798.

Probable increased Estimate of the Expenditure for the Year 1798, under the Heads of Army, Navy, and Ordnance, as it will be stated by Mr. Pitt, Nov. 1798.

APPENDIX, No. II.

Estimated Amount of the various Taxes imposed since the War.

		£.	£.
1793	Home and foreign spirits	252,812	252,812
1794	Taxes 1794 continued	428,000	
	British spirits	107,000	
	Foreign ditto	136,000	
	Solicitors and attornies' indentures	25,000	
	Bricks	70,000	
	Glaſs	52,000	
	Slate, ſtone, and marble	30,000	
	Paper	63,000	
			911,000
1795	Wine	500,000	
	Home and foreign ſpirits	259,000	
	Tea	180,000	
	Coffee and cocoa	40,000	
	Insurances	160,000	
	Hair powder certificates	210,000	
	Fruits, ſilk, coals, timber, &c.	187,000	
	Stamps on writs, receipts, &c.	68,000	
	Franking	40,000	
			1,644,000
1796	Legacies	114,000	
	10 per cent. aſſeſſed taxes	140,000	
	Additional horſe duty	116,000	
	New ditto	100,000	
	Tobacco	170,000	
	Salt	32,000	
	Drawback on ſugar	180,000	
	Dogs	100,000	
	Hats	40,000	
	Wines and ſweets	600,000	
			1,592,000
1797	Tea	240,000	
Dec.	Coffee and cocoa	30,000	
1796	Auctions	40,000	
	Bricks	36,000	
	Spirits	220,000	
	Scots diſtilleries	300,000	
	Carried over	866,000	

Brought over	£	866,000
Sugar	.	280,000
Bar iron	.	43,000
Brimstone, hemp, &c.	.	111,000
Drawback on plantation sugar	.	22,000
Assessed taxes, and new mode of collecting house tax	.	290,000
Regulation on stamps	.	30,000
Postages, and regulations of Post Office	.	250,000
Stage coaches	.	60,000

1,952,000

In the second budget of this year
Mr. Pitt stated, that these taxes
would produce, in consequence
of various regulations, one hun-
dred thousand pounds less

100,000

1,852,000

1797	Increased stamp duties	.	320,000
Ap. 26	Transfer of property	.	90,000
	Copies of deeds	.	50,000
	Probates of wills	.	40,000
	Bills of exchange	.	40,000
	1½d. on newspapers	.	94,000
	Attornies' certificates	.	15,000
	Gold and silver plate	.	30,000
	Insurance from fire	.	35,000

714,000

June 30	Excess of Scots distilleries	.	212,000
	Horses employed in agriculture	.	150,000
	Watches, clocks, &c.	.	200,000
	Five shillings per chaldron on coals, and 5 per cent. on certain articles of custom	.	100,000

662,000

July 7	Male servants	.	34,000
	Additional duty on horses kept for pleasure	.	24,000
	20 per cent. additional duty on horses kept for agriculture	.	30,000

88,000

Total 7,715,812

APPENDIX, No. III.

Charge and Receipt created since the Year 1792, for one Year, ending October 10, 1797.

	1793	1794	1795	1796	1797	Produce of duties imposed in this year, for one year, ending Oct. 10, 1797	£.
Annual charge created for interest, management, and sinking fund in this year	252,812						201,601
Ditto		773,324					911,219
Ditto			1,227,415				1,190,244
Ditto				1,850,373			1,148,319
Ditto					3,368,052		3,318,000
							<u>£ 6,769,383</u>

Additional charge since the war . . . £ 7,471,976
 Additional receipt of taxes imposed since ditto . . . 6,769,383

Deficiency 702,593

* Account delivered to Parliament, as required by the 27th Geo. III. c. 13.
 † In the produce of this year, as here stated, there is included 237,924l. arising from the instalments payable on the wine duties: this, of course, might be added to the deficiency.

Deficiency as above . . . £ 702,593
 Deduction on account of the instalments on wine . . . 237,924

Total deficiency 940,517

THE END.